



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: Transit Finance Working Group

DATE: December 5, 2012

FR: Kenneth Folan and Adam Noelting

W. I.

RE: Transit Performance Initiative Program Update

In May 2012, the Commission adopted the Transit Sustainability Project recommendations (MTC Resolution 4060), including the Transit Performance Initiative (TPI), which is composed of two programs: 1) an investment program focused on supportive infrastructure to improve performance in major transit corridors; and 2) an incentive program to reward agencies that improve ridership and service productivity.

Attached is an update on recent Commission actions related to the TPI Investment and Incentive programs. MTC staff has met with the MTC Policy Advisory Council and representatives of the large and small operators to receive initial input into the proposal. We will be available to discuss the TPI Incentive formulas at your December meeting, and expect to take a final proposal for Commission consideration in January 2013.

For more information, please contact Kenneth Folan at [kfolan@mtc.ca.gov](mailto:kfolan@mtc.ca.gov) or at 510.817.5804.

J:\COMMITTEE\Partnership\Partnership TFWG\Transit Finance WG\2012\12 Memos\11\_November\TPI\_Update.docx



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

**TRANSIT SUSTAINABILITY  
TRANSIT FINANCE WORKING GROUP**

December 5, 2012

# TPI Incentive Program

2

- *Goal: to reward transit agencies that achieve ridership increases and productivity improvements*
- Funding (approved by MTC – October 24<sup>th</sup>): \$15M/year from 2<sup>nd</sup> Cycle STP/CMAQ Transit Capital Rehab program (\$60M Total)
- Commission direction (May 2012/September 2012):
  - Return with options, including one that does not reduce the cumulative current funding level from small operators for the fund sources established by the Commission for this incentive program
  - Provide option that allows each transit operator to consider implementing a pilot Pass program
- Developed scenarios based on a formula including: increase in ridership, increase in productivity, and total ridership

# TPI Incentive Program Transition

3

- Performance data from the transit agencies will lag by one year
- Transition Year (Approved by Commission – October 24<sup>th</sup>): \$15M to fund specific projects focused on increasing ridership, funding levels based on current ridership
- Project sponsors submit projects with rationale for funding and a monitoring plan to track effectiveness in improving productivity and/or ridership
- Transit Operators can use funds to support pilot Youth or Low-Income Pass programs
- Call for projects/funding available in FY2012-13

Agency	Funding (\$M)
AC Transit	\$ 1.8
BART	\$ 3.5
SFMTA	\$ 6.7
VTA	\$ 1.3
Other Operators	\$ 1.7
Total	\$15.0

# TPI Incentive Program – Draft Proposal

4

**MTC Staff Proposal Presented at October 10<sup>th</sup> Programming and Allocations Committee meeting - for funding after transition year:**

- **Scenario A**
  - 25% based on Ridership increase (absolute)
  - 25% based on Passengers Per Hour increase (absolute)
  - 50% based on annual Ridership
- **Scenario B**
  - Large operators same as A
  - Small operators based on Flexible Set-Aside formula (“hold harmless”)

**On October 10<sup>th</sup>, the committee directed staff to add an alternative to Scenario A assigning equal weight to the 3 metrics (33.3%, 33.3%, 33.3%) and staff subsequently added another alternative (15%, 15%, 70%). Also, staff was asked to improve the transparency of the funding formulas.**

# TPI Incentive Program – Response to Commissioner Comments/Direction

5

- ❑ Reviewed data and formulas
- ❑ Propose use of NTD instead of TDA Claim data going forward to improve consistency
- ❑ Consider rolling three-year average rather than one-year
- ❑ Charts added to enhance transparency of funding distribution elements

# Incentive Funding Scenarios – Draft Proposal

6

For funding after transition year:

- Scenario A

	Scenarios		
	A1	A2	A3
Ridership Increase (absolute)	25%	33%	15%
Passenger Per Hour Increase (absolute)	25%	33%	15%
Annual Ridership	50%	33%	70%
Total	100%	100%	100%

- Scenario B

- Large operators same as A
- Small operators based on Flexible Set-Aside formula (“hold harmless”)

Formulas recognize increased ridership, improved productivity, and base ridership levels

# Scenario Distribution Shares: Large Operator Detail

7

Illustrative based on 3-year retrospective

Transit Operator	3-Year Average (FYs 2008 - 2011)		
	Scenario A1 25% - 25% - 50% Avg. Annual Distribution (\$ 000s)	Scenario A2 33% - 33% - 33% Avg. Annual Distribution (\$ 000s)	Scenario A3 15% - 15% - 70% Avg. Annual Distribution (\$ 000s)
AC Transit	2,225	2,351	2,072
BART	2,689	2,440	2,988
Caltrain	1,208	1,493	867
Golden Gate	204	182	230
SF Muni	4,435	3,665	5,360
SamTrans	365	339	397
SC VTA	1,083	1,006	1,176
Small Operators	2,790	3,525	1,908
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

Source: NTD (FYs 2008-2010) and TDA Claim/MTC Statistical Summary (FY 2011)



# Scenario Distribution Shares: Large Operator Detail

8

Illustrative based on 3-year retrospective

Transit Operator	3-Year Average (FYs 2008 - 2011)		
	Scenario B1 25% - 25% - 50% Avg. Annual Distribution (\$ 000s)	Scenario B2 33% - 33% - 33% Avg. Annual Distribution (\$ 000s)	Scenario B3 15% - 15% - 70% Avg. Annual Distribution (\$ 000s)
AC Transit	2,425	2,682	2,117
BART	2,914	2,857	2,983
Caltrain	1,565	1,980	1,067
Golden Gate	221	213	229
SF Muni	4,201	3,583	4,943
SamTrans	428	438	417
SC VTA	1,184	1,186	1,183
Small Operators	2,062	2,062	2,062
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

Source: NTD (FYs 2008-2010) and TDA Claim/MTC Statistical Summary (FY 2011)

# Scenario Distribution Shares: Small Operator Detail

9

Illustrative based on 3-year retrospective

Transit Operator	3-Year Average (FYs 2008 - 2011)			
	Scenario A1 25% - 25% - 50% Avg. Annual Distribution (\$ 000s)	Scenario A2 33% - 33% - 33% Avg. Annual Distribution (\$ 000s)	Scenario A3 15% - 15% - 70% Avg. Annual Distribution (\$ 000s)	Scenario B “Hold Harmless” Avg. Annual Distribution (\$ 000s)
Large Operators	12,210	11,475	13,092	12,938
ACE	457	602	283	162
CCCTA	51	34	72	242
Fairfield + Suisun	43	47	37	160
LAVTA	207	256	147	170
Napa	10	7	14	131
Petaluma	83	109	52	10
Santa Rosa	208	246	161	303
SolTrans	40	37	43	325
Sonoma County	108	131	81	20
Tri Delta	236	290	172	233
Union City	100	128	65	16
Vacaville	429	568	261	131
WestCAT	242	310	160	42
WETA	578	760	360	116
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

Source: NTD (FYs 2008-2010) and TDA Claim/MTC Statistical Summary (FY 2011)

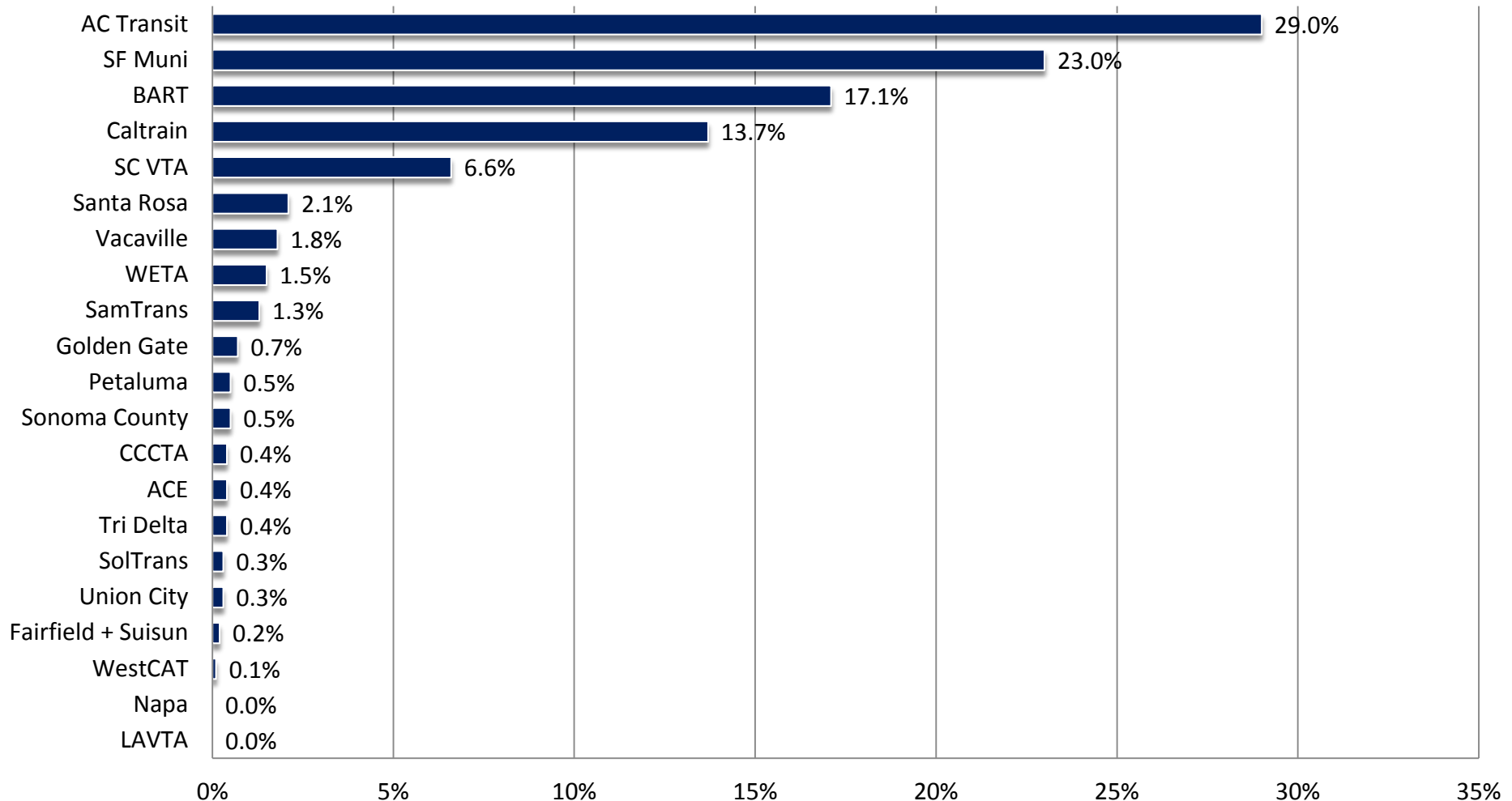
“Hold Harmless” % distribution based on the former flexible set-aside program

# Annual Passenger Trips Increase

NTD: 2008-2010 | MTC Statistical Summary: 2011

10

3-Year Avg.

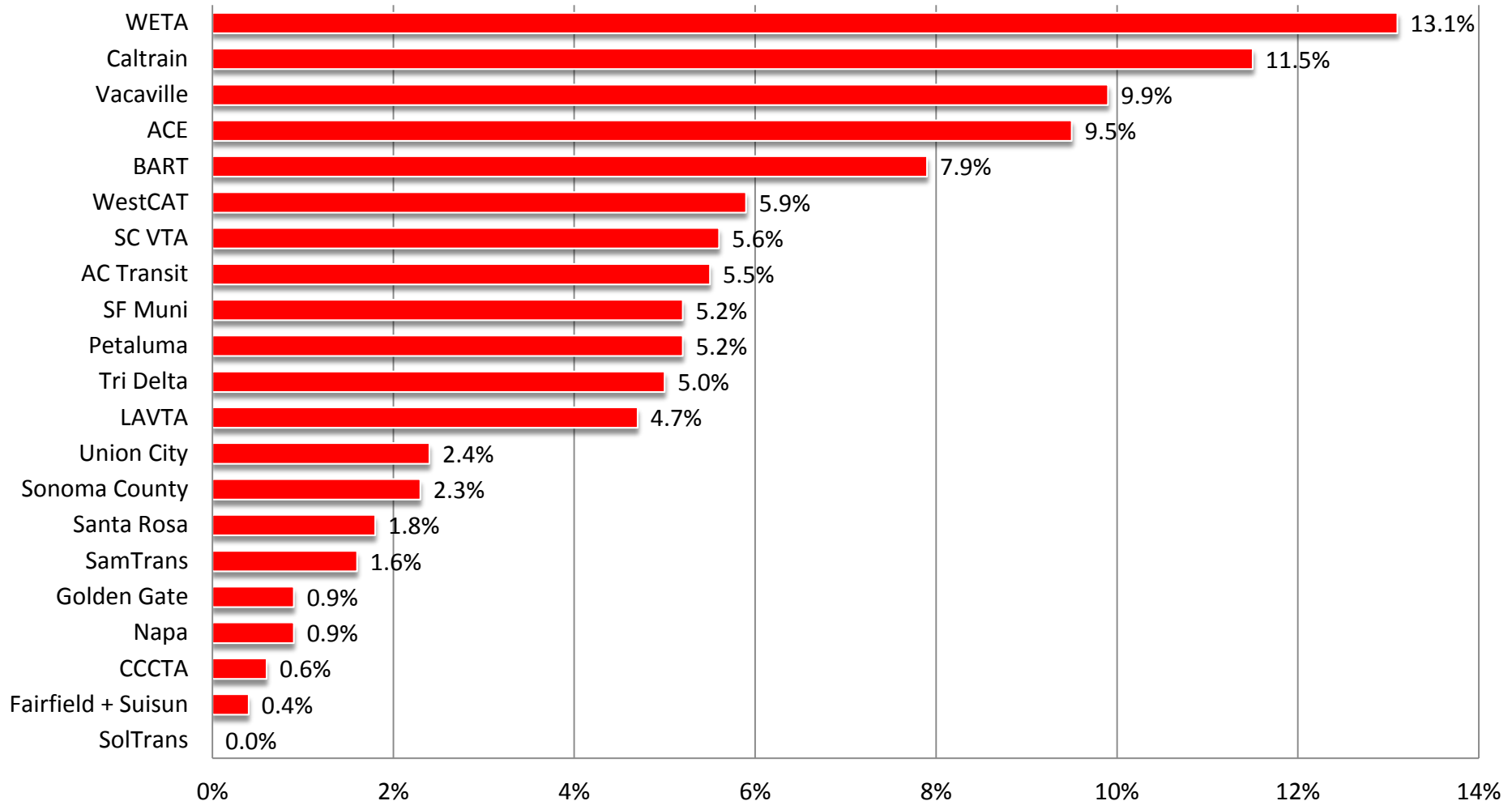


# Annual Passenger Trips Per Hour Increase

NTD: 2008-2010 | MTC Statistical Summary: 2011

11

3-Year Avg.

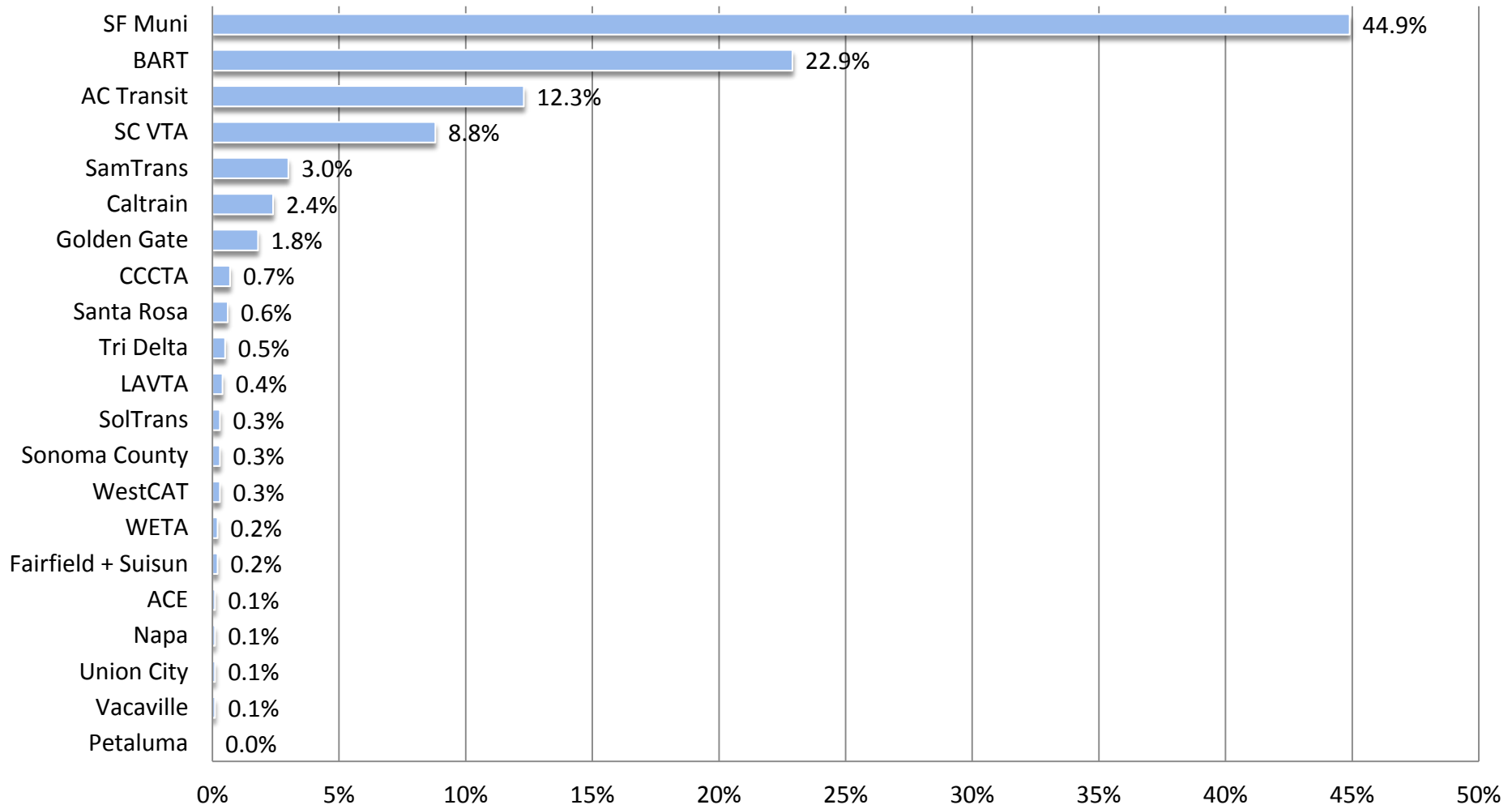


# Annual Passenger Trips

NTD: 2008-2010 | MTC Statistical Summary: 2011

12

3-Year Avg.



# TPI Investment Program

13

- Goal: infrastructure improvements in high ridership corridors
- Funding (approved by MTC – October 24<sup>th</sup>): additional \$13M/year from 2<sup>nd</sup> Cycle STP/CMAQ Transit Capital Rehab program
- Timing: develop proposed guidelines for future rounds of TPI funding in the Spring/Summer 2013



- Five projects funded in FY2011-12 with \$28M in CMAQ (AC Transit, SFMTA, VTA)
- Reserve of \$2.3M held for a future round of funding – Spring/Summer 2013

# TPI – Investment Program

14

- Remaining funding to be programmed: \$54 million
- Considerations for future funding rounds
  - Number of calls for projects
  - Timely use of funds deadlines
  - Project eligibility

# Next Steps

15

- Transit Sustainability Project – TPI Incentive and Investment Programs
  - Work with transit operators and Policy Advisory Council on funding distribution formulas
  - Return to Commission with proposed TPI Incentive Program formulas/guidelines
  - Conduct call for projects
    - TPI Investment Program – Spring/Summer 2013
    - TPI Incentive Program for FY2012-13 – Late 2012